Parker Poe

J. Ashley Cooper
Partner
Telephone: 843.727.2674
Direct Fax: 843.727.2680
ashleycooper@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC

May 15, 2019

Via Electronic Filing

Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, SC 29211

Re: Ecoplexus, Inc. vs. South Carolina Electric and Gas Company
Docket Number 2019-130-E

Dear Ms. Boyd:

Enclosed for filing in connection with the above-referenced matter, please find and *South Carolina Electric & Gas Company's Answer.*

By copy of this letter, we are serving the Answer upon the parties of record and attach a certificate of service to that effect.

If you have any questions, please do not hesitate to contact me.

Sincerely,

J. Ashley Cooper

J. Ashley Cooper

JAC:hmp
Enclosure
cc: (Via Electronic Mail and First Class Mail)
Richard L. Whitt
Jeremy C. Hodges
Weston Adams III
Jenny R. Pittman

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2019-130-E

IN RE: Ecoplexus Inc. Complainant, v. South Carolina Electric & Gas Company, Defendant.	)	**ANSWER**

INTRODUCTION

Pursuant to S.C. Code Ann. Regs. § 103-826 (2012), Dominion Energy South Carolina, Inc. (formerly South Carolina Electric & Gas Company) ("DESC") hereby answers the Complaint (the "Complaint") of Ecoplexus Inc. ("Solar Developer"), filed with the Public Service Commission of South Carolina (the "Commission") in the above-captioned docket on April 15, 2019, as follows:

ANSWER

FOR A FIRST DEFENSE
(Response to Allegations of Complaint)

Each and every allegation by Solar Developer not hereinafter specifically admitted, modified, qualified, or otherwise responded to by DESC is hereby denied and DESC demands strict proof thereof. Where paragraph numbers are set forth in the Complaint, DESC answers the allegations identified by paragraph numbers. DESC otherwise responds to the allegations of the

Complaint in the named sections corresponding to those in the Complaint. The headings and sub-headings throughout the Complaint do not require an answer, but to the extent an answer is required, DESC denies the same.

DESC RESPONSE
NATURE OF ACTION

DESC offered terms and conditions in power purchase agreements (collectively, the "PPAs") and interconnection agreements (collectively, the "IAs") for (i) Barnwell PV 1, a 74.9 MW-ac solar qualifying facility ("QF"), queue position 332 ("Barnwell"), and (ii) Jackson PV 1, a 71 MW-ac solar QF, queue position 331 ("Jackson") (collectively, the "Projects"). The Projects are owned by Solar Developer. The IAs, entered into on February 11, 2019, which terminated by their terms, were in the form and substance of the Commission-approved South Carolina Generator Interconnection Procedures, Forms and Agreements ("South Carolina Standard"). DESC denies that the executed IAs, the draft PPAs, or any of DESC's actions related to the Projects violate the Public Utilities Regulatory Policies Act of 1978 ("PURPA"), 18 C.F.R. Section 292, or any Commission orders. When Solar Developer failed to make the its first milestone payments under the IAs (collectively, the "First Milestone Payments"), the IAs were deemed withdrawn pursuant to (i) their terms and (ii) Section 5.2.4 of the Procedures of the South Carolina Standard. Two notices of termination were sent on April 17, 2019, and the unexecuted amendments to the IAs were also terminated as a result. Solar Developer has not committed itself to sell its output to DESC or executed a PPA.

DESC further denies that it engaged in any discriminatory behavior towards the Projects.

DESC RESPONSE
COMPLAINANT

DESC concedes that Solar Developer is a Delaware Corporation and a developer of utility-scale solar photovoltaic and battery-storage facilities, and that Solar Developer has been in existence since 2008. DESC is without knowledge of the number of commercial solar facilities Solar Developer has developed or has in the pipeline. DESC admits that Solar Developer is a sophisticated company, experienced in executing interconnection agreements and power purchase agreements, and is further familiar with regulatory assistance available to it during that process. The remaining allegations of this paragraph are denied.

DESC RESPONSE
DEFENDANT

DESC admits that it is a South Carolina corporation, duly organized and conducting business in the State of South Carolina, and that it is a public utility subject to the jurisdiction of this Commission. DESC further admits that it is tasked with maintaining the reliability of the operating system and administering the interconnection queue in a nondiscriminatory manner. DESC admits that its address is 220 Operation Way, Cayce, South Carolina 29033.

DESC RESPONSE
NOTICE OF DISPUTE

DESC denies the allegations set forth in the Notice of Dispute provided by Solar Developer to DESC on December 21, 2018. As set forth in more detail below, DESC and Solar Developer held a conference on January 8, 2019 (the "January 8, 2019 Conference"), with the South Carolina Office of Regulatory Staff ("ORS"). DESC and Solar Developer did not reach a resolution of the dispute between the parties at the January 8, 2019 Conference. However, during the January 8, 2019 Conference, ORS representatives stated that they did not believe that DESC failed to comply with applicable regulations or that DESC was required to provide Solar Developer with the models demanded, though ORS noted that the determination was ultimately up to the Commission.

DESC RESPONSE
BACKGROUND[1]

DESC admits that Solar Developer and DESC first began discussing the Projects in or around March 2017. DESC admits that it provided Solar Developer with draft PPAs for the Projects on numerous occasions, including March 28, 2017, August 21, 2017, April 16, 2018, and July 6, 2018. Solar Developer did not respond to the March 2017 Draft PPA until July 31, 2017. In the interim, DESC negotiated 10 PPAs for solar QFs, totaling approximately 442 MWs. As a result, DESC revised its PPA template and provided a new PPA to Solar Developer on August 21, 2017. Solar Developer never responded to the draft PPA submitted on August 21, 2017. When a PPA was not executed, another revised PPA template was sent to Solar Developer on April 16, 2018, and again on July 6, 2018.

Through the course of these PPA discussions, Solar Developer did not execute a PPA with DESC or otherwise demonstrate its commitment to sell its output to DESC. For example, as recently as August 1, 2018, when Solar Developer sent its proposed changes to the July 2018 PPA to DESC, Solar Developer tried to alter a Commission-required term,[2] failed to complete the attachments to the PPA, and did not specify a start date, end date, or delivery schedule, each as required by Attachment C.[3] Solar Developer failed to provide other evidence of commitment, such as an engineering, procurement, and construction contract or financial backing. Although Solar Developer purportedly executed (i) lease options for the land on which the Projects were to be built and (ii) the IAs on February 11, 2019, in reality, these efforts are not binding commitments to sell electrical output to DESC, and could be abandoned *without significant*

[1] The email correspondence referenced in this section is attached as Exhibit 1 and incorporated herein.
[2] Specifically, Solar Developer attempted to delete Section 16.18 regarding termination.
[3] DESC responded on August 13, 2018—such letter is attached as Exhibit 2. Solar Developer's proposed changes to the July 2018 PPA demonstrated that Solar Developer only infrequently attempted to claim the establishment of a LEO. Prior to such letter, DESC repeatedly made clear its position on the requirements a QF must satisfy to establish a LEO in emails to Solar Developer's then-current counsel, Richard Whitt, which are also attached in Exhibit 2.

consequence or liability. Indeed, an IA is automatically terminated, with no consequence to the interconnector, if the deposits under the IAs are not paid. In fact, Solar Developer demonstrated precisely this type of unwillingness to commit to the Projects when it failed to pay the First Milestone Payments, which were due only 45 days after executing the IAs.

Throughout the negotiations, DESC explained its position on the establishment of a legally enforceable obligation ("LEO"). In response to Solar Developer's unsupported assertions that such a binding commitment existed, DESC informed Solar Developer that it did not establish a LEO. For example, DESC sent Solar Developer an email on April 6, 2017 (the "April 6, 2017 Email"[4]), stating that the Commission has not yet established a policy for when and how a LEO is created in South Carolina. In the April 6, 2017 Email, DESC further described its position on when a LEO is established through the Direct Testimony of John H. Raftery in Commission Docket No. 2016-89-E ("Raftery Direct Testimony") and in the Rebuttal Testimony of John H. Raftery in Commission Docket No. 2016-2-E ("Raftery Rebuttal Testimony").

On April 26, 2018, DESC responded to a "reassertion" of Solar Developer's commitment to sell electrical output to DESC (the "April 26, 2018 DESC Response"[5]). Although mere assertions that a LEO exists will not establish a LEO, *especially* where a developer is so concerned with its lack of establishing a binding commitment that it feels a "reassertion" is necessary, the April 26, 2018 DESC Response noted that the minimal actions that Solar Developer *had* engaged in—such as self-certifying as a QF—were insufficient to establish a LEO under the law.

During this time DESC and Solar Developer also negotiated the IAs for the Projects. Despite the lack of commitment from Solar Developer, DESC remained open to negotiating, and

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[4] The April 6, 2017 Email is attached to the Complaint as Exhibit B.
[5] The April 26, 2018 DESC Response is attached hereto as Exhibit 3.

continued to respond to Solar Developer's inquiries—including meeting over the phone and in person with Solar Developer's representatives and engineers. On September 7, 2018, DESC provided Solar Developer with its system impact study results for each project, as well as the FERC Form 715 filings.[6] This information allowed DESC and Solar Developer to identify and detail the impacts on the electric system of interconnecting a generating facility in order to evaluate the effect of the facility on distribution and transmission system reliability. DESC reviewed these results with Solar Developer representatives in person on September 20, 2018. In addition to other conferences, DESC met with Fernando Blanco, an expert engineer for Solar Developer, for approximately four hours on November 16, 2018, to review study assumptions, methodologies, and the underlying case models that Solar Developer now claims it did not have access to. Mr. Blanco thanked DESC for the "productive session" following the meeting through email on November 19, 2018 ("November 19, 2018 Email").[7] The meetings and information shared were significant and exceeded the requirements of the South Carolina Standard.

During these meetings, DESC and Solar Developer reviewed the interconnection cost estimates associated with the Projects. Although DESC did review the actual underlying case model, assumptions, and methodologies with Solar Developer, it did not provide the underlying case models to Solar Developer for its private use. DESC does not provide these models to other developers, and it is atypical for a developer to even request these models.

There are many reasons why it is unnecessary to provide underlying case models to developers, and, in certain circumstances, providing these models may lead to confusion on the

[6] DESC believes that the PPAs, IAs, system impact studies, and associated materials for the Projects contain certain confidential information, and therefore out an abundance of caution, DESC is not submitting such documents as exhibits to this Complaint. However, DESC intends to participate in Solar Developer's request that the Commission establish procedures to exchange confidential information in the underlying proceeding at a later date, after which it will be able to provide the Commission and other appropriate parties with such documents.
[7] The November 19, 2018 Email is attached hereto as Exhibit 4.

developer's part. DESC cannot be myopic. First and foremost, unlike individual solar developers who are interested only in their respective projects, DESC is responsible for reliably operating its transmission and distribution networks, while balancing loads across those systems. While a developer may have a self-interested and inordinate focus on the least expensive way to connect their particular project, DESC must focus on interconnecting *all* solar developers in the queue in accordance with the South Carolina Standard. DESC must also properly administer costs in accordance with the South Carolina Standard to ensure such costs are not improperly shifted to its ratepayers, while still adhering to mandatory reliability requirements. These administrative responsibilities of DESC are already difficult, time consuming, and a strain on DESC's resources. The process would be undoubtedly complicated and slowed if developers were permitted to avoid upgrades for their unique project by strategically manipulating models. Providing these underlying case models has the potential to cause further complications, including threats to the proprietary and trade secret information of other potential interconnectors and causing developers to rely on information concerning pending projects that may be inaccurate. This last point has the potential to not only disrupt the planning process for developers, but also to upset a developer's efforts to secure and maintain appropriate financing.

As further detailed in DESC's Motion to Dismiss, filed simultaneously herewith, there is no requirement under the South Carolina Standard that DESC provide the underlying case models to a developer. While not dispositive, this position was acknowledged during DESC and Solar Developer's January 8, 2019 Conference. During the Conference, ORS representatives stated that it did not appear that the case study models needed to be provided to Solar Developer. ORS did not feel that DESC had not complied with the requirements of the state interconnection standard, but acknowledged that the Commission is the ultimate arbiter on the matter.

After concluding that the costs assessed to it were discriminatory, despite not securing the underlying case models it now believes are integral to its Projects, Solar Developer executed IAs for each Project on February 11, 2019. The due dates for the First Milestone Payments were expressly detailed in the IAs and set pursuant to Section 5.2.4 of the South Carolina Standard. Section 5.2.4 of the Procedures of the South Carolina Standard and the IAs mandated that the First Milestone Payments should have been submitted to DESC no later than April 16, 2019 (45 business days from the date Solar Developer executed the IAs). Solar Developer subsequently refused to make the First Milestone Payments on April 16, 2019, as required by the IAs and the Procedures of the South Carolina Standard. This commitment is required under the IAs. As a result of Solar Developer's failure to make the First Milestone Payment, the IAs and unexecuted amendments were terminated.

DESC RESPONSE
COMPLAINT

1. Answering Paragraph 1, DESC admits that Section 210 of PURPA, *Grouse Creek Wind Park, LLC*, *Grouse Creek Wind Park 77, LLC*, 142 FERC ¶ 61,187 (2013) ("Grouse Creek"), and other references cited by Solar Developer in this Paragraph are documents that speak for themselves. The remaining allegations of Paragraph 1 are denied.

2. Answering Paragraph 2, DESC admits that 18 C.F.R. Section 292 is a document that speaks for itself. The remaining allegations of Paragraph 2 are denied.

3. Answering Paragraph 3, DESC admits that 18 C.F.R. Section 292 is a document that speaks for itself. The remaining allegations of Paragraph 3 are denied.

4. Answering Paragraph 4, DESC denies that a LEO was established by Solar Developer for either Project at any point prior to, and including, the date of the filing of this Answer. Solar Developer has neither executed a PPA nor shown sufficient commitment to sell

electricity to DESC. Solar Developer has failed to demonstrate its ability to develop, construct, and deliver power within 180 days. Thus, a LEO has not been established, and Solar Developer is not entitled to the March 28, 2017, Commission-approved PR-2 rate avoided cost rate for solar QF projects set forth on March 28, 2017 (the "March 2017 Rate"). The remaining allegations of Paragraph 4 are denied.

5. Answering Paragraph 5, DESC admits that the April 6, 2017 Email is a document that speaks for itself. DESC further admits that the Commission has not established a state-wide standard for defining when a LEO arises and that the referenced testimony describes DESC's position on when a LEO arises. The remaining allegations of Paragraph 5 are denied.

6. Answering Paragraph 6, DESC admits that the Raftery Direct Testimony is a document that speaks for itself. The remaining allegations of Paragraph 6 are denied.

7. Answering Paragraph 7, DESC admits that the Raftery Direct Testimony and Raftery Rebuttal Testimony are documents that speak for themselves. In the Raftery Direct Testimony, Mr. Raftery notes that "[c]reation of a LEO requires a binding commitment by the QF to sell the generated electricity. It is not simply an option for the QF to sell power to the utility if and when it so chooses . . . [a] mere statement that the QF intends to sell electricity to the utility or has taken preliminary development steps that can easily be abandoned without consequence (e.g., filing an interconnection request or self-certifying a proposed facility as a QF) is insufficient to establish a LEO."[8] Mr. Raftery notes the importance of a QF being able to also *honor* its commitment to begin delivering power to a utility within a defined period so as to mitigate the impact of changed avoided costs on DESC customers, DESC, and/or a QF.[9] Although longer than other jurisdictions, DESC "believes that giving a QF 180 days after

[8] Raftery Direct Testimony Tr. at 5:12-15; 5:20-6:2.
[9] *Id*. at 6:11-7:5

establishment of the LEO to commence delivery of power strikes the appropriate balance between the QF's interest and those of DESC's customers."[10] The remaining allegations of Paragraph 7 are denied.

8. Answering Paragraph 8, DESC admits that the April 26, 2018 DESC Response is a document that speaks for itself. The remaining allegations of Paragraph 8 are denied. DESC specifically denies that it applies a different LEO standard to Solar Developer's projects than the standard articulated in Mr. Raftery's testimony.

9. Answering Paragraph 9, DESC admits that the April 26, 2018 DESC Response is a document that speaks for itself. The remaining allegations of Paragraph 9 are denied. DESC specifically denies that it applies a different LEO standard to Solar Developer's projects than the standard articulated in Mr. Raftery's testimony and that DESC has violated PURPA or any applicable FERC controlling precedent.

10. Answering Paragraph 10, DESC admits that South Carolina has jurisdiction over what constitutes a LEO. DESC also admits that South Carolina has not specifically articulated its standard. As Mr. Raftery testified, "PURPA and the FERC provide state regulatory commissions with wide latitude to define when and how a LEO is created; however the Commission has not exercised its right to define what constitutes a LEO."[11] This testimony is in line with case law precedent, that makes clear it is up to "the States, not [the FERC], to determine the specific parameters of individual QF power purchase agreements, including the date at which a legally enforceable obligation is incurred under State law."[12] DESC further admits that *JD Wind,* 130 FERC ¶ 61,127 (2010) is a document that speaks for itself. The remaining allegations of Paragraph 10 are denied.

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[10] *Id*. at 8:7-9
[11] Raftery Direct Testimony Tr. at 4:16-19.
[12] *W. Penn Power Co.*, 71 FERC ¶ 61,153 (1995).

11. Answering Paragraph 11, DESC admits that FERC Order No. 69 is a document that speaks for itself. The remaining allegations of Paragraph 11 are denied.

12. Answering Paragraph 12, DESC admits that *Cedar Creek Wind*, 137 FERC ¶ 61,006 (2011) ("Cedar Creek") is a document that speaks for itself. The remaining allegations of Paragraph 12 are denied.

13. Answering Paragraph 13, DESC admits that *Grouse Creek* is a document that speaks for itself. The remaining allegations of Paragraph 13 are denied. DESC specifically denies that it insists that "[Solar Developer] execute a PPA in order to establish a LEO."

14. Answering Paragraph 14, DESC admits that PURPA, Section 292.304(d)(2), and *Cedar Creek* are documents that speak for themselves. Solar Developer has failed to (i) show sufficient commitment that obligates itself to sell electricity to DESC and (ii) demonstrate its ability to develop, construct and deliver power within 180 days. In fact, this 180-day standard is more lenient than the current approach employed by other states such as Texas, which requires the QF to deliver power within 90 days in order to establish a LEO.[13] A mere statement that Solar Developer *intends* to sell electricity to DESC is insufficient to establish a LEO."[14] Here, Solar Developer has demonstrated that it *lacks* the commitment necessary to establish a LEO by, among other things, failing to pay the First Milestone Payments under the now-terminated IAs. The remaining allegations of Paragraph 14 are denied.

15. Answering Paragraph 15, DESC admits that the Commission has not established a state-wide standard for determining when a LEO arises. Should the Commission decide to establish a state-wide standard for determining when a LEO arises in this proceeding, DESC

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[13] *See Power Res. Group, Inc. v. Pub. Util. Comm'n of Texas*, 422 F.3d 231, 239 (5th Cir. 2005) (A Texas requirement that LEOs are only available to "firm" power was inconsistent with PURPA, but the 90-day requirement was upheld.).

[14] Raftery Direct Testimony Tr. at 5:12-15; 5:20-6:2.

respectfully request that standard require a QF to demonstrate an ability to develop, construct, and deliver power from its facility within a defined period in order to establish a LEO. DESC believes that a timeframe of 180 days is appropriate. Such a standard would ensure certainty in terms of the utility's avoided cost rate, and it would allow a utility to rely on a QF's binding commitment to provide energy and capacity prior to a specified date.

DESC denies that it is appropriate to invade the sovereignty of the Commission by imposing the standard utilized in a different state. The remaining allegations of Paragraph 15 are denied.

16. Answering Paragraph 16, DESC admits that the Dominion NC Form is a document that speaks for itself.

DESC admits that states have wide latitude to adopt a LEO standard and avers that this Commission is in no way bound or committed to follow the North Carolina LEO standard. DESC denies that it is appropriate to invade the sovereignty of the Commission by imposing the standard utilized in a different state. The remaining allegations of Paragraph 16 are denied.

17. Answering Paragraph 17, DESC admits that the Dominion NC Form, S.C. Code Ann. §§ 58-33 et seq., and the April 25, 2018 Letter, are documents that speak for themselves. DESC denies that a LEO was established by Solar Developer for either Project at any point prior to, and including, the date of the filing of this Answer—"[a] mere statement that the QF intends to sell electricity to the utility or has taken preliminary development steps that can easily be abandoned without consequence (e.g., filing an interconnection request or self-certifying a proposed facility as a QF) is insufficient to establish a LEO."[15] Solar Developer has neither executed a PPA nor otherwise shown sufficient commitment to sell electricity to DESC. In fact,

[15] Raftery Direct Testimony Tr. at 5:20-6:2.

Solar Developer has demonstrated that it *lacks* the commitment necessary to establish a LEO by, among other things, failing to pay its First Milestone Payments. Solar Developer has also failed to demonstrate its ability to develop, construct, and deliver power within 180 days. Thus, a LEO was not established, and Solar Developer is not entitled to the March 2017 Rate.

DESC denies that it is appropriate to invade the sovereignty of the Commission by imposing the standard utilized in a different state. The remaining allegations of Paragraph 17 are denied.

18. Answering Paragraph 18, DESC denies that a LEO was established by Solar Developer for either Project at any point and including through the date of the filing of this Answer. The activities listed in Paragraph 18 do not constitute sufficient commitment obligating itself to sell electricity to DESC and could easily be abandoned without consequence or liability. Moreover, Solar Developer lists the revised PPA terms it provided on July 31, 2017, but deliberately and conspicuously omits from these bullet points that it delivered an *incomplete* PPA on August 1, 2018, with proposed revisions that were simply non-starters, including striking a Commission-required term. Solar Developer has neither executed a PPA nor otherwise shown sufficient commitment to sell electricity to DESC. In fact, Solar Developer has demonstrated that it lacks the commitment necessary to establish a LEO by, among other things, failing to pay the First Milestone Payments under the now-terminated IAs. Solar Developer has also failed to demonstrate its ability to develop, construct and deliver power within 180 days. Thus, a LEO has not been established, and Solar Developer is not entitled to the March 2017 Rate. The remaining allegations of Paragraph 18 are denied.

19. Answering Paragraph 19, DESC denies that a LEO was established by Solar Developer for either Project at any point and including through the date of the filing of this

Answer. Solar Developer has not executed a PPA, nor has it otherwise shown sufficient commitment to sell electricity to DESC. In fact, Solar Developer has demonstrated that it *lacks* the commitment necessary to establish a LEO by, among other things, failing to pay the First Milestone Payments under the now-terminated IA. Solar Developer has also failed to demonstrate its ability to develop, construct and deliver power within 180 days. Thus, a LEO has not been established, and Solar Developer is not entitled to the March 2017 Rate. The remaining allegations of Paragraph 19 are denied.

20. Answering Paragraph 20, DESC admits that the 18 C.F.R. Section 292.303 is a document that speaks for itself. The remaining allegations of Paragraph 20 are denied.

21. Answering Paragraph 21, DESC admits that the 18 C.F.R. Section 292.303(c) is a document that speaks for itself. The remaining allegations of Paragraph 21 are denied.

22. Answering Paragraph 22, DESC admits that the 18 C.F.R. Section 292.303 is a document that speaks for itself. The remaining allegations of Paragraph 22 are denied.

23. Answering Paragraph 23, DESC admits that the draft PPAs exchanged between Solar Developer and DESC are documents that speak for themselves. DESC denies that Solar Developer has executed a PPA, but admits that Solar Developer *could* execute a PPA on or before February 5, 2021, if Solar Developer and DESC agree to the terms of such PPA.

DESC admits that the now-terminated IAs are documents that speak for themselves. DESC admits that the IAs, because of the scope of the upgrades required by the Projects and DESC's construction schedule, acknowledge that commercial operation was not possible until at least June 5, 2023. DESC admits the parties were aware of that term and that Solar Developer executed the IAs for the Projects on February 11, 2019, then subsequently failed to make the First Milestone Payments toward construction of the Projects—payments that were due only 45 days later. The remaining allegations of Paragraph 23 are denied.

24. Answering Paragraph 24, DESC admits that the 18 C.F.R. 292.303 is a document that speaks for itself. DESC further admits that the draft PPAs exchanged between Solar Developer and DESC are documents that speak for themselves. DESC denies that Solar Developer executed a PPA but admits that Solar Developer *could* execute a PPA on or before February 5, 2021, if Solar Developer and DESC agree to the terms of such PPA.

DESC admits that the now-terminated IAs are documents that speak for themselves. DESC admits that the IAs, because of the scope of the upgrades required by the Projects and DESC's construction schedule, acknowledge that commercial operation was not possible until at least June 5, 2023. DESC admits the parties were aware of that term and that Solar Developer executed the IAs for the Projects on February 11, 2019, then subsequently failed to make the First Milestone Payments toward construction of the Projects—payments that were due only 45 days later. The remaining allegations of Paragraph 24 are denied.

25. Answering Paragraph 25, DESC admits that the draft PPAs, now-terminated IAs, and *Windham Solar LLC*, et al., 157 FERC ¶ 61,134 (2016), are documents that speak for themselves. DESC is without knowledge of any discussions Solar Developer had with financers, and therefore denies the same. The remaining allegations of Paragraph 25 are denied.

26. Answering Paragraph 26, DESC admits that 18 C.F.R. Section 292 is a document that speaks for itself. DESC denies that it has engaged in any discriminatory behavior towards Solar Developer in violation of Section 292.306(a). The remaining allegations of Paragraph 26 are denied.

27. Answering Paragraph 27, DESC denies that its position on what constitutes a LEO is discriminatory. In support of its position, DESC avers that the Texas LEO standard which requires, among other things, that a QF demonstrate its ability to sell power within 90-days has been affirmed. LEO standard has been DESC further denies that (i) the draft PPAs and/or the now-terminated IAs are discriminatory and (ii) DESC has otherwise engaged in any discriminatory behavior towards Solar Developer. The remaining allegations of Paragraph 27 are also denied.

28. Answering Paragraph 28, DESC denies that it withheld the case study models from Solar Developer. In fact, in addition to other conferences, DESC met with Fernando Blanco, Solar Developer's expert engineer, for approximately four hours on November 16, 2018, to review the referenced case study models. DESC further provided Solar Developer with the Projects' System Impact Studies, DESC's FERC Form 715 filings, and other relevant information. The remaining allegations of Paragraph 28 are denied.

29. Answering Paragraph 29, DESC admits that its FERC Form 715 filings are documents that speak for themselves. The remaining allegations of Paragraph 29 are denied.

30. Answering Paragraph 30, DESC admits that its FERC Form 715 filings and NERC Standard FAC-008-3 are documents that speak for themselves. The remaining allegations of Paragraph 30 are denied.

31. Answering Paragraph 31, DESC admits that its FERC Form 715 filings are documents that speak for themselves. DESC specifically denies the allegation that DTM conditions "are not used to evaluate [DESC] facilities as when transmission system evaluations are performed pursuant to mandatory transmission planning reliability standards promulgated by NERC, DESC utilizes DTM conditions as part of system analysis. Interconnection requests are

evaluated pursuant to NERC standards and the terms and conditions of the System Impact Study Agreement from Section 16 of the South Carolina Standard. The remaining allegations of Paragraph 31 are denied.

32. Answering Paragraph 32, DESC denies it has engaged in discriminatory treatment of the Projects in violation of PURPA and Section 292.306(a). DESC specifically denies Solar Developer's position in the communications referenced in Paragraph 32 and demonstrated in a November 27, 2018 email from Fernando Blanco.[16] The remaining allegations of Paragraph 32 are denied.

33. Answering Paragraph 33, DESC admits that the System Impact Studies are documents that speak for themselves. DESC also admits that it did not evaluate its system under "light load" conditions (i.e., below approximately 3,000MW) because such an evaluation's results are problematic given the active renewable resources required to be included in the study cases for Barnwell PV1 and Jackson PV1. DESC is aware of generation it must run during periods of light loads to maintain system reliability and meet contractual and regulatory obligations for variable renewable resources that pre-date the submission of the Barnwell PV1 and Jackson PV1 projects. Based on this knowledge, DESC is able to approximate curtailment for intermittent resources that do not support reliability. The remaining allegations of Paragraph 33 are denied.

34. The allegations of Paragraph 34 are denied.

35. Answering Paragraph 35, DESC admits that Commission Order No. 85-347, Docket No. 80-251-E (Aug. 2, 1985) ("Order No. 85-347"), is a document that speaks for itself. DESC specifically denies violation of Order No. 85-347. The remaining allegations of Paragraph 33 are denied.

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[16] The November 27, 2018 email from Fernando Blanco is attached hereto as Exhibit 5.

DESC RESPONSE
CONCLUSION

The remainder of Solar Developer's Complaint constitutes a conclusion and prayer for relief not requiring an answer, but to the extent an answer is required, DESC denies the same.

FOR A SECOND DEFENSE
(Failure to State a Claim)

Solar Developer has failed to state a claim upon which relief may be granted. There is no allegation of any act or thing done or omitted to be done by DESC which forms the basis for a complaint cognizable under the law or for which this Commission is empowered to grant relief. See S.C. Code Ann. § 58-27-1940. The Complaint therefore fails to state facts sufficient to constitute a cause of action and, therefore, should be dismissed.

FOR A THIRD DEFENSE
(Waiver)

Solar Developer's claims are barred by the doctrine of waiver.

FOR A FOURTH DEFENSE
(Reasonableness and Good Faith)

DESC's actions were reasonable, were not arbitrary, were not capricious, and were made in good faith.

FOR A FIFTH DEFENSE
(Estoppel/Laches)

Solar Developer's claims are barred by the doctrines of estoppel and laches.

FOR A SIXTH DEFENSE
(No Damages)

Solar Developer has not properly pled, nor has it suffered, any damages.

FOR A SEVENTH DEFENSE
(Intervening Acts or Omissions)

Solar Developer's alleged damages, if any, were caused solely by its own acts, representations, omissions, or circumstances as a proximate cause of injuries as alleged. Therefore, DESC should not be liable to Solar Developer in any sum whatsoever.

FOR AN EIGHTH DEFENSE
(Failure to Mitigate Damages)

Solar Developer failed, in whole or in part, to mitigate any alleged damages.

FOR A NINTH DEFENSE
(Unclean Hands)

Solar Developer's claims are barred by the doctrine of unclean hands.

FOR A TENTH DEFENSE
(Consent or Ratification)

Solar Developer's claims are barred by its consent to or ratification of DESC's alleged acts or omissions.

FOR AN ELEVENTH DEFENSE
(Additional Defenses)

DESC specifically reserves the right to assert, and does not waive, any additional or further defenses as may be revealed upon any amendments to the pleadings, discovery, or otherwise, and reserves the right to amend its Answer to assert any such defenses.

CONCLUSION

WHEREFORE, having fully answered the Complaint, DESC prays that the relief sought therein be denied, that the Complaint be dismissed with prejudice, and for such other and further relief as the Commission may deem just and proper.

Respectfully Submitted,

/s/ J. Ashley Cooper

K. Chad Burgess, Esquire
Matthew W. Gissendanner, Esquire
Dominion Energy South Carolina, Inc.
Mail Code C222
220 Operation Way
Cayce, South Carolina 29033-3701
Phone: (803) 217-8141
Fax: (803) 217-7810
Email: chad.burgess@scana.com

J. Ashley Cooper, Esquire
Parker Poe Adams & Bernstein LLP
200 Meeting Street
Suite 301
Charleston, South Carolina 29401
Phone: (843) 727-2674
Fax: (843) 727-2680
Email: ashleycooper@parkerpoe.com

Attorneys for Dominion Energy South Carolina, Inc.

Cayce, South Carolina
May 15, 2019

BEFORE THE

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2019-130-E

IN RE:	)	
Ecoplexus, Inc.	)	
Complainant,	)	**CERTIFICATE OF SERVICE**
v.	)	
South Carolina Electric & Gas Company,	)	
Defendant.	)	

This is to certify that I, Ashley Cooper, have this day caused to be served upon the persons named below the ***Dominion Energy South Carolina, Inc.'s Answer*** by electronic mail and by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

(*via email: jeremy.hodges@nelsonmullins.com*)
(*via email: weston.adams@nelsonmullins.com)*
Weston Adams III
Jeremy C. Hodges
Nelson Mullins Riley & Scarborough LLP
1320 Main Street, 17th Floor
Columbia, South Carolina 29201

(*via email: rlwhitt@austinrogerspa.com*)
Richard L. Whitt
Austin & Rogers, P.A.
508 Hampton Street, Suite 300
Columbia, South Carolina 29201

(*via email: jpittman@ors.sc.gov)*
Jenny R. Pittman
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

/s/ J. Ashley Cooper

This 15 of May, 2019

Exhibit 1

Email Correspondence

From: FOLSOM, JOHN E JR
Sent: Tuesday, March 28, 2017 4:04 PM
To: John Gorman <johng@ecoplexus.com>
Subject: Confidential Draft Form of Solar QF PPA

John,

Attached is SCE&G's Confidential Draft form of Solar QF PPA for your review. Please let me know when you have completed your review, and we can schedule our next discussion.

Thanks,

Eddie Folsom
Power Marketing Manager
South Carolina Electric & Gas Company
220 Operation Way
Mail Code P-26
Cayce, SC 29033
Phone: (803) 217-1405
Mobile: (803) 206-4424
Fax: (803) 933-8962
efolsom@scana.com

From: Erik Stuebe [mailto:eriks@ecoplexus.com]
Sent: Monday, July 31, 2017 8:24 PM
To: FOLSOM, JOHN E JR <EFOLSOM@scana.com>
Cc: KASSIS, DANIEL F <DKASSIS@scana.com>; John Gorman <johng@ecoplexus.com>; John Lynch <jlynch@ecoplexus.com>; Mike Wallace <mwallace@ecoplexus.com>
Subject: Ecoplexus - PPA Redline

***This is an EXTERNAL email. Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

Hello Eddie,

I hope all is well with you!

Attached, please find a redlined version of the PPA you provided to Ecoplexus. John Gorman, our CEO, passed the contract on to John Lynch (Sr. Corp.Counsel) and me (President) to review and redline.

Please let us know when is a good time to discuss with your team. Thanks in advance,

Best,

Erik

--
Erik Stuebe
Ecoplexus, Inc.
101 2nd Street, Ste. 1250
San Francisco, CA 94105
(o) 415-626-1802
(m) 415-235-6907
www.ecoplexus.com

From: FOLSOM, JOHN E JR
Sent: Monday, August 21, 2017 12:59 PM
To: Erik Stuebe <eriks@ecoplexus.com>
Cc: Mike Wallace <mwallace@ecoplexus.com>
Subject: Current Template PPA

Erik,

It was great to catch up with you earlier today. As promised, attached is SCE&G's current Draft Solar QF PPA Template for your review. I'll be back in touch mid next week after I get back into the office to resume our discussion.

Thanks,

Eddie Folsom
Power Marketing Manager
South Carolina Electric & Gas Company
220 Operation Way
Mail Code P-26
Cayce, SC 29033
Phone: (803) 217-1405
Mobile: (803) 206-4424
Fax: (803) 933-8962
efolsom@scana.com

From: FOLSOM, JOHN E JR
Sent: Monday, April 16, 2018 5:16 PM
To: Mike Wallace <mwallace@ecoplexus.com>
Cc: DKASSIS@scana.com
Subject: Current Draft Solar QF PPA Template

Mike,
As discussed, attached is SCE&G's current Draft Solar QF PPA Template for your review. Please note that this document is under constant review and subject to change.

Thanks,

Eddie Folsom
Power Marketing Manager
South Carolina Electric & Gas Company
220 Operation Way
Mail Code P-26
Cayce, SC 29033
Phone: (803) 217-1405
Mobile: (803) 206-4424
Fax: (803) 933-8962
efolsom@scana.com

From: Mike Wallace [mailto:mwallace@ecoplexus.com]
Sent: Thursday, April 26, 2018 6:29 AM
To: FOLSOM, JOHN E JR <EFOLSOM@scana.com>
Cc: Erik Stuebe <eriks@ecoplexus.com>; KASSIS, DANIEL F <DKASSIS@scana.com>; John Lynch <jlynch@ecoplexus.com>; Paul Esformes <pesformes@ecoplexus.com>
Subject: Re: Ecoplexus - PPA Redline

***This is an EXTERNAL email from Mike Wallace (mwallace@ecoplexus.com). Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

Eddie,

Thanks for your time last week. As I reviewed our correspondence over the last few months I realized Ecoplexus was waiting for SCE&G's comments from our redline draft submitted on July 31, 2017. We completed a very detailed review of the PPA for consideration. We would like understand when we could expect to receive comments on that markup. Also I please find the attached letter reasserting our LEO for Jackson and Barnwell which are the projects surrounding this PPA redline. Also please see our note for asserting a LEO date for two new projects, Winnsboro and Orangeburg that are just underway.

Let me know if you like to discuss and we'd be happy to review with you.

Best,
Michael

From: Mike Wallace [mailto:mwallace@ecoplexus.com]
Sent: Monday, July 09, 2018 6:49 AM
To: FOLSOM, JOHN E JR <EFOLSOM@scana.com>
Cc: KASSIS, DANIEL F <DKASSIS@scana.com>
Subject: Re: CONFIDENTIAL Draft PPA Template

***This is an EXTERNAL email from Mike Wallace (mwallace@ecoplexus.com). Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

Thank you Eddie,

We will review and be back in touch.

Mike

On Fri, Jul 6, 2018 at 4:13 PM, FOLSOM, JOHN E JR <EFOLSOM@scana.com> wrote:

> Mike,
>
> As a follow-up to our conversation yesterday, attached is an alternative form of Solar QF PPA for your review. SCE&G move forward with either of the PPA forms that you have been provided. Thanks, and have a great weekend.
>
> Thanks,
> **Eddie Folsom**
> ***Power Marketing Manager***
> ***South Carolina Electric & Gas Company***
> ***220 Operation Way***
> ***Mail Code P-26***
> ***Cayce, SC 29033***
> ***Phone: (803) 217-1405***
> ***Mobile: (803) 206-4424***
> ***Fax: (803) 933-8962***
> ***efolsom@scana.com***

--
Michael R. Wallace, P.E., CEM

Vice President, Southeast Development
Ecoplexus, Inc.
Mail Address:
807 East Main Street
Suite 6-050
Durham, NC 27701
GPS Address:
109 Belt Street
Durham, NC 27701
(m) 207.217.2216
mwallace@ecoplexus.com
www.ecoplexus.com

Exhibit 2

LEO Letter and Emails

SCE&G®
A SCANA COMPANY

John E. Folsom, Jr. (Eddie)
Power Marketing Manager

August 13, 2018

VIA ELECTRONIC MAIL

Michael R. Wallace
Vice President, Southeast Development
Ecoplexus
101 Second Street, Ste. 1250
San Francisco, CA 94105

Re: QF Power Purchase Agreement Negotiations

Dear Mr. Wallace:

I am responding to your email dated August 1, 2018. On April 26, 2018, I provided you with a letter fully recounting the interaction between SCE&G and Ecoplexus. SCE&G has consistently demonstrated its willingness to negotiate a Power Purchase Agreement ("PPA") with Ecoplexus. Despite our good faith efforts, Ecoplexus has shown no intention of negotiating a PPA. Instead, it has merely initiated preliminary discussions on a periodic basis.

Any sort of meaningful negotiation has, as its natural and logical starting point, the current draft form PPA. As you may know, all executed PPAs must be filed with the Public Service Commission of South Carolina ("SCPSC"). Therefore, we provide developers like yourself with the current version of our PPA, which includes terms and conditions generally accepted by the SCPSC, as well as the current rates approved by the SCPSC. SCE&G's draft form of PPA is under constant review and subject to periodic updates based on industry activities, policy considerations, and any other pertinent information which may affect the implementation of such PPAs and/or ratepayer or corporate risk associated with such PPAs. Repeatedly, SCE&G has taken the precursory step of providing Ecoplexus with the current PPA form and SCPSC approved rates to initiate discussions. Yet, to date, Ecoplexus has not demonstrated any intention of moving forward to successfully execute a PPA using the current PPA form and certainly has not demonstrated in any way its commitment to provide power to SCE&G.

Ecoplexus's email dated August 1, 2018, as well as its edits to the PPA attached to that email, further demonstrate Ecoplexus's failure to start meaningful negotiations. Rather than engaging in meaningful negotiations, Ecoplexus submitted edits to the current PPA form that represent a significant re-write of the PPA, including the deletion of a Commission-required term. SCE&G cannot entertain such a drastic departure from its currently accepted terms and conditions.

Additionally, Ecoplexus seems to be focused on periodically initiating conversations in the hopes of building a record that it is somehow entitled to the terms and conditions that existed in July 2017, so that if it decides at some point in the future to move forward with a development project it can avail itself of those outdated rates and terms. If this is your intent, it will not work, as it is not supported by the communications between us or South Carolina law.

SCE&G remains willing to negotiate with Ecoplexus, but Ecoplexus's repeated failure to negotiate based on the terms and conditions of the current draft form PPA is a non-starter and continues to take valuable time and resources away from other developers who are working in good faith to develop their projects. SCE&G has an accepted form of PPA that it uses consistently to address South Carolina policies and ensure developers are treated comparably, and therefore, cannot vary significantly from the current, standard form. Ecoplexus has SCE&G's current PPA and the current rates approved by the SCPSC. We are happy to start the process of negotiating a PPA once Ecoplexus demonstrates its willingness to enter into meaningful negotiations—negotiations that reflect the role of the SCPSC, interests of ratepayers and other developers as explained above. To accomplish this, SCE&G recommends that Ecoplexus offer revisions to SCE&G's current form of PPA that reflect Ecoplexus's understanding that the July 2017 terms and conditions are no longer available.

Sincerely,

John E. Folsom, Jr.

cc: Daniel F. Kassis
Matthew W. Gissendanner, Esquire
(both via electronic mail)

From: GISSENDANNER, MATTHEW W (SEG Services - 6) <MATTHEW.GISSENDANNER@scana.com>
Sent: Thursday, July 27, 2017 9:02 AM
To: Richard Whitt <rlwhitt@AustinRogersPA.com>; [redacted]
Subject: RE: Our Consensus LEO for Discussion

Richard:

At our meeting on July 20, SCE&G committed to providing you with its position, as to a LEO, by today. SCE&G's position is set forth below.

As discussed at the meeting, SCE&G will continue to honor our old PR-2 rates for any PPAs with QFs that are signed after the effective date of a PR-2 rate change, provided that (1) the PPA terms are agreed to prior to the effective date of the PR-2 rate change and all that is left is for the parties to execute the PPA and (2) the QF executes the PPA no later than 30 days after the effective date of the PR-2 rate change.

Consistent with our position in previous dockets, SCE&G proposes that, in the absence of an executed PPA as a result of the conduct of the utility, a LEO arises if the QF can deliver its electrical output to the utility within 180 days.

Matt

From: GISSENDANNER, MATTHEW W
Sent: Wednesday, July 19, 2017 4:03 PM
To: 'Richard Whitt' <rlwhitt@AustinRogersPA.com>; [redacted]
Subject: RE: Our Consensus LEO for Discussion

Richard:

SCE&G does not believe that the items included in your clients' "Proposed LEO Standard for South Carolina" are sufficient to establish a non-contractual, legally enforceable obligation. A LEO is an obligation, not an option for the QF to sell power to the utility if and when it so chooses. Your clients' proposal does not in any way evidence a "commitment" by your clients to deliver energy and capacity to the utility over a specified term as contemplated by FERC's PURPA regulations. They are mere statements that the QF intends to sell electricity to the utility or preliminary steps that can easily be abandoned.

SCE&G believes that, in order for a LEO to exist, there must be sufficient commitments from a QF obligating itself to sell electricity to the utility as well as a clear demonstration of the QF's ability to develop, construct, and to deliver power from its facility within a defined time period.

We look forward to discussing this further with you all tomorrow.

Matt

Exhibit 3

April 26, 2018 DESC Response

SCE&G®
A SCANA COMPANY

John E. Folsom, Jr. (Eddie)
Power Marketing Manager

April 26, 2018

VIA ELECTRONIC MAIL

Michael R. Wallace
Vice President, Southeast Development
Ecoplexus
101 Second Street, Ste. 1250
San Francisco, CA 94105

Re: QF Power Purchase Agreement Negotiations

Dear Mr. Wallace:

I am in receipt of your letter dated April 25, 2018. In that letter, you state that Ecoplexus "does not have record of South Carolina Electric and Gas returning comments or a redline of our July 31, 2017 markup" of a PPA template that SCE&G delivered to Ecoplexus "[o]n March 29, 2017," and that "Ecoplexus would like to understand when comments may become available and continue this negotiation."

SCE&G emailed you its PPA template on March 28, 2017 (not March 29 as indicated in your letter), and on July 31, 2017, Ecoplexus submitted its redline markup of that template. However, during the over four month period between SCE&G's provision of a PPA template and Ecoplexus's submittal of its redline markup, SCE&G amended its PPA template to reflect changes based on lessons learned by SCE&G during the course of negotiating ten (10) PPAs totaling approximately 442 MWs, the terms of which were agreed to prior to the PR-2 rate change approved by Public Service Commission of South Carolina Order No. 2017-246. After a discussion with Ecoplexus earlier that day, by email dated August 21, 2017, SCE&G provided the new PPA template for Ecoplexus's review and comment, thereby withdrawing its prior offer. SCE&G has no record of receiving any edits or comments from Ecoplexus. By email dated April 16, 2018, SCE&G provided its current PPA template for Ecoplexus's review and comment, thereby withdrawing its prior offer. The current PPA template reflects further revisions as a result of SCE&G's experiences with other solar PPAs as well as changed circumstances. Based on the foregoing, it is clear that SCE&G has responded to Ecoplexus, and the ball is squarely in Ecoplexus's court. We look forward to your comments to our PPA template provided to you on April 16, 2018.

In your letter, you appear to assert a legally enforceable obligation "LEO" as a result of your stated "commitment to sell energy, capacity, and other attributes" for Barnwell PV1, Jackson PV1, Orangeburg PV1, and Winnsboro PV1. However, a LEO is an obligation, not an option for the QF to sell power to the utility if and when it so chooses. In order for a LEO to exist, there must be sufficient commitments from a QF obligating itself to sell electricity to the utility at specified rates, terms, and conditions. The QF also must demonstrate that it is has the ability to develop, construct and deliver power from its facility within a defined period after the LEO is established. A LEO cannot be established by a project developer's statement that it intends to sell electricity to the utility in the future. Likewise, a LEO is not created when a project developer undertakes preliminary development steps that can be abandoned without material consequences (e.g., filing an interconnection request or self-certifying a proposed facility as a QF). Ecoplexus's actions to date—a mere statement of intent to sell electricity to the utility and self-certifying as a QF—do not demonstrate that Ecoplexus has established a LEO.

SCE&G has consistently explained that, in the absence of an executed PPA between a QF and a utility as a result of the conduct of the utility, a LEO arises if the QF can demonstrate that it is able to deliver its electrical output to the utility within 180 days. SCE&G last made this position clear to Ecoplexus and other solar developers at a meeting at the South Carolina Office of Regulatory Staff on July 20, 2017, which you attended on behalf of Ecoplexus. On July 27, 2017, SCE&G sent an email to Mr. Richard Whitt, the attorney representing Ecoplexus at the July 20th meeting, explaining its position on the requirements a QF must satisfy to establish a LEO. In short, Ecoplexus has not established a LEO.

Again, I look forward to receiving any comments on the PPA template forwarded to you on April 16, 2018.

Sincerely,

John E. Folsom, Jr.

cc: Daniel F. Kassis
Matthew W. Gissendanner, Esquire
(both via electronic mail)

Exhibit 4

November 19, 2018 Email

From: Fernando Blanco <fblanco@ecoplexus.com>
Sent: Monday, November 19, 2018 11:18 AM
To: UNDERWOOD, ANDREW D <AUNDERWOOD@scana.com>
Subject: Re: Technical Review of Jackson and Barnwell Studies with SCE&G

***This is an EXTERNAL email from Fernando Blanco (fblanco@ecoplexus.com). Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

Good morning, Andy.

I want to take this opportunity to thank you and your team for the productive session we had on Friday. Please send my regards to Dean and Brian. Can you please remind me of their last names?

Regards,

Fernando Blanco
Manager, Transmission Planning
Ecoplexus, Inc.
+1 (305) 772-6325
www.ecoplexus.com

Exhibit 5

November 27, 2018 Email

From: Fernando Blanco <fblanco@ecoplexus.com>
Sent: Tuesday, November 27, 2018 4:42 PM
To: UNDERWOOD, ANDREW D <AUNDERWOOD@scana.com>
Cc: Mike Wallace <mwallace@ecoplexus.com>; KERSEY, ERNEST D <ERNEST.KERSEY@scana.com>; Shawn Grimsley <sgrimsley@ecoplexus.com>; Jacob Pundyk <jpundyk@ecoplexus.com>
Subject: Re: Technical Review of Jackson and Barnwell Studies with SCE&G

***This is an EXTERNAL email from Fernando Blanco (fblanco@ecoplexus.com). Please do not click on a link or open any attachments unless you are confident it is from a trusted source.

Andy,

Many thanks for meeting with me and allowing me the opportunity to better understand the SIS results of our Jackson (Q331) and Barnwell (Q332) projects. Please see below our comments on both projects:

Jackson

- Ecoplexus respectfully disagrees with SCE&G that upgrading the Urquhart-Toolebeck 115 kV line should be a required system upgrade for interconnection, based on the following rationale:
  - The reported loading of 99% of 137 MVA on the Urquhart-Toolebeck 115 kV line for the loss of the entire single-bus Belvedere 69 kV station as a result of an internal breaker failure is, to Ecoplexus' understanding, that per Table 1-Steady State & Stability Performance Planning Events of NERC Standard TPL-001-4 (Transmission System Planning Performance Requirements), is an extreme event resulting in the loss of multiple system elements, and for which NERC Reliability Criteria allows interruption of Firm Transmission as well as of non-consequential load.
  - The facility's loading of 99% of 137 MVA for the loss of the entire single-bus Belvedere station is still under 100% of the applicable facility's rating of 137 MVA.
  - The facility's loading could not be approximated via usage of vintage 2017 of the MMWG cases that SCE&G provided access to. It was observed that under normal and emergency conditions, the facility's loading was well below its applicable ratings, and that the only way to have the facility's loading increased was by dispatching the Urquhart units (246 MW) against the MCM units, so as to reverse the normal flow on the line based on the cases' generation dispatch.

- Ecoplexus respectfully disagrees with SCE&G on curtailment of Jackson as specified in page #8 of the report:
  - Table #2 of the report shows that the Urquhart-Salem 115 kV loads to less than 100% of applicable rating for NERC Category P6 contingencies
  - The results are based on DTM (Day Time Minimum) assumptions. These assumptions (demand, generation dispatch, facility ratings, and area interchange) are unknowns. From vintage 2017 of the MMWG models, SCE&G's light-load models report demand as low as 34% of peak demand while

exporting a net of almost 1,000 MW to the neighboring balancing areas. Lower system demand supplied via a realistic generation dispatch including base load units and the aggregate of 1,200 MW to 1,400 MW of queued generation does not provide a realistic study scenario. This is also stated in page #6 of the report as follows:

> > Jackson PV1 Solar
> > could not be studied on the SCE&G system at load levels below approximately 3000 MW based on a likely daytime minimum load dispatch and higher priority interconnection requests in queue at the time of this study/report; therefore, Jackson PV1 Solar may be curtailed during some hours below these load levels. Based on SCE&G's observed historical system loads from 2013 to 2016, SCE&G operated at load levels below 3000 MW approximately 57% of the daytime hours (between 10 AM and 4 PM).

- If it couldn't be studied at a demand less than 3,000 MW, no system upgrades could be attributed under the same scenario.

- Table #3 of the report states that the Fairfax-Yemassee 115 kV overloads for a couple of NERC Category P6 contingencies in 2019.
  - The facility's loading for the loss of the Canadys-SRS 230 kV and Vogtle-Est Mcintosh 500 kV is 93% of the facility's applicable rating of 103 MVA.

<u>Barnwell</u>

- Ecoplexus respectfully disagrees with SCE&G on attributing to Barnwell the required system upgrade of the Urquhart-Salem 115 kV line:
  - The 2019 proposed COD is not achievable as specified in the report
  - The results are based on DTM (Day Time Minimum) assumptions. These assumptions (demand, generation dispatch, facility ratings, and area interchange) are unknowns. From vintage 2017 of the MMWG models, SCE&G's light-load models report demand as low as 34% of peak demand while exporting a net of almost 1,000 MW to the neighboring balancing areas. Lower system demand supply via a realistic generation dispatch including base load units and the aggregate of 1,200 MW to 1,400 MW of queued generation does not provide a realistic study scenario. This is also stated in page #6 of the report as follows:

> > Barnwell PV1 Solar
> > could not be studied on the SCE&G system at load levels below approximately 3000 MW based on a likely daytime minimum load dispatch and higher priority interconnection requests in queue at the time of this study/report; therefore, Barnwell PV1 Solar may be curtailed during some hours below these load levels. Based on SCE&G's observed historical system loads from 2013 to 2016, SCE&G operated at load levels below 3000 MW approximately 57% of the daytime hours (between 10 AM and 4 PM).

- If it couldn't be studied at a demand less than 3,000 MW, no system upgrades could be attributed under the same scenario.

As follow up to our conversation, I'd like to please remind you to forward to us NERC's Questionnaire on Inverter Momentary Cessation for compliance with SCE&G's request prior to executing an IA:

> Prior to executing an Interconnection Agreement for this project, the Customer shall provide verification to SCE&G that the intended inverter controls do not utilize Momentary Cessation and the voltage and frequency trip settings have been modified. For additional information, please refer to NERC's "Industry Recommendation – Loss of Solar Resources during Transmission Disturbances due to Inverter Settings –II," dated May 1, 2018, and NERC's "900 MW Fault Induced Solar Photovoltaic Resource Interruption Disturbance Report," dated February 2018.

Best regards,

Fernando Blanco
Manager, Transmission Planning
Ecoplexus, Inc.
+1 (305) 772-6325
www.ecoplexus.com